

FISCAL NOTE

Bill #: SB0268

Title: Clarify plumbing activities for which permit not required

Primary Sponsor: Shea, D

Status: As Amended in Senate Committee

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
-------------------	------	---------------------------------	------

Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
State Special Revenue	\$99,262	\$118,786
Revenue:		
State Special Revenue	\$120,244	\$160,325
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|---|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

1. The Building Codes Bureau, Business Standards Division of the Department of Labor and Industry currently issues plumbing permits to licensed master plumbers and performs inspections on all plumbing installations in the bureau's jurisdiction, including those single family dwellings not exempt from permit requirements. Exempted installations include some single-family dwellings, mines, mills, smelters, refineries, public utilities, railroads and farms and ranches. SB 268 adds the single-family dwellings plumbed by homeowners to the installations that would be required to be permitted and inspected.
2. The bureau estimates an additional 1,325 new single-family dwellings would be added to the current bureau plumbing/mechanical permit and inspection workload per year. This work represents an approximate 35 percent increase in the total workload. The estimate of additional new single-family dwelling plumbing permits to be added to the current workload was obtained by comparing the single family dwelling electrical permits issued to homeowners and electrical contractors in FY 2002 as compared to the single family dwelling plumbing permits issued to master plumbers in FY 2002.
3. An additional 2.00 FTE pay band 5 plumbing/mechanical inspectors will be required to complete the inspections based upon the anticipated increase in plumbing permits. Since SB 268 has an October 1, 2003, effective date, it is assumed that only 1.50 FTE would be needed in FY 2004 (2.00 FTE x 75

Fiscal Note Request SB0268, As Amended in Senate Committee

(continued)

percent fiscal year). It is anticipated the new plumbing/mechanical inspectors would be located in Billings and Missoula.

4. The estimated additional expenses for the 1.50 FTE in FY 2004 is \$99,262 and for the 2.00 FTE in FY 2005 is \$118,786 including annual costs of \$41,595 per FTE for salary and benefits; \$3,336 for communications and office; \$1,664 gasoline; \$858 telephone; \$4,088 travel; \$1,476 tires and maintenance; and \$2,712 indirect costs (6.52 percent). Two additional vehicles will be required (one in FY 2004 and one in FY 2005) for the new plumbing/mechanical inspectors at an estimated cost of \$14,000 each for a total of \$28,000.
5. The average cost of a new single-family dwelling plumbing permit is \$121. Revenues generated by the additional 1,325 permits would be \$120,244 (1,325 permits x \$121/permit = \$160,325 x 8/12 of a year = \$120,244) in FY 2004 and \$160,325 in FY 2005.

FISCAL IMPACT:**DOLI – Business Standards**

	FY 2004 <u>Difference</u>	FY 2005 <u>Difference</u>
FTE	1.50	2.00

Expenditures:

Personal Services	\$62,393	\$83,190
Operating Expenses	22,869	21,596
Equipment	<u>14,000</u>	<u>14,000</u>
TOTAL	\$99,262	\$118,786

Funding of Expenditures:

State Special Revenue (02)	\$99,262	\$118,786
----------------------------	----------	-----------

Revenues:

State Special Revenue (02)	\$120,244	\$160,325
----------------------------	-----------	-----------

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

State Special Revenue (02)	\$20,982	\$41,539
----------------------------	----------	----------

LONG-RANGE IMPACTS:

1. Provisions in SB 268 requiring the homeowner to obtain a plumbing permit and inspections on single family dwellings will require that all single family dwellings constructed following the effective date of the legislation be permitted, inspected and built to the requirements of the state plumbing code.